

SECOND REGULAR SESSION

HOUSE BILL NO. 1599

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES LOWE AND BRAY (Co-sponsors).

Read 1st time January 23, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

4012L.011

AN ACT

To amend chapter 386, RSMo, by adding thereto four new sections relating to renewable energy resources.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 386, RSMo, is amended by adding thereto four new sections, to be
2 known as sections 386.825, 386.828, 386.831, and 386.834, to read as follows:

**386.825. For purposes of sections 386.825 to 386.834, the following terms shall
2 mean:**

3 (1) "Commission", the public service commission;

4 (2) "Customer-generator", a customer who owns and operates an electrical
5 generating facility with a capacity of not more than one hundred kilowatts powered by
6 renewable energy and which is located on the customer's premises, is interconnected, and
7 operates in parallel with the electric distribution system and is intended primarily to offset
8 part or all of the customer's own electricity requirements;

9 (3) "Department", the department of natural resources;

10 (4) "Net energy metering", the difference between the electricity supplied by the
11 electrical distribution system and the electricity generated by a customer-generator and fed
12 back to the electric distribution system during an annual electrical billing period;

13 (5) "Renewable energy sources", energy from wind, solar, or thermal sources,
14 photovoltaic cells and panels, dedicated crops grown for energy production, organic waste
15 biomass used for electricity production, low-heat hydropower, and other alternative
16 sources of environmentally preferable energy, as defined in rule by the department.

**386.828. 1. All suppliers of electrical energy shall disclose standard and useful
2 information regarding the generation attributes of electricity sold by the supplier to any**

3 person upon request and with bills to its customers on a quarterly basis.

4 2. For electrical corporations, information as specified in this section shall be
5 presented in a uniform label in an easily understood format according to rules developed
6 by the commission and shall be presented to the commission for inclusion on its Internet
7 homepage. The label shall contain, but not be limited to, the following information:

8 (1) The sources of energy supplied, specified by percentages, of biomass power,
9 coal-fired power, hydropower, natural gas-fired power, nuclear power, oil-fired power,
10 solar power, wind power, and other resources in such format as the commission shall
11 require;

12 (2) A standardized chart in a format determined by the commission that provides
13 the amounts of carbon dioxide, nitrous oxides, sulfur dioxide emissions, and nuclear waste
14 attributable to the known sources of electricity supplied as set forth in subdivision (1) of
15 this subsection; and

16 (3) Any other information as the commission may determine that permits and
17 facilitates customer understanding of the environmental consequences of electrical
18 generation and use.

19 3. Within one year from the effective date of sections 386.825 to 386.834, rules
20 necessary to implement this section shall be submitted to the secretary of state.

 386.831. 1. The department shall prescribe by rule a requirement for suppliers of
2 electrical energy to generate or purchase electricity generated from renewable energy
3 resources, and requirements for implementation and compliance. The rules shall include
4 a portfolio requirement providing for renewable energy sources of no less than one quarter
5 of one percent of retail sales for each utility after 2003, no less than one and one-half
6 percent after 2006, no less than three percent after 2009, and no less than six percent in
7 each year 2015 through 2025, which shall apply to all suppliers of electrical energy to
8 consumers in this state. The rule shall apply to all power sold to Missouri users whether
9 self-generated or purchased from another source in or outside this state.

10 2. The department shall, in consultation with the commission, establish by rule or
11 other administrative means a certification process for power generated from renewable
12 resources. To the extent feasible, the certification process shall be consistent with
13 operation practices of the regional transmission organizations active in the midwestern
14 United States. The certification process shall ascertain whether a supplier of electrical
15 energy meets the renewable requirement through self-generation or the purchase of
16 renewable energy from other sources outside this state.

17 3. Certification criteria for renewable energy generation shall be determined by
18 factors that include fuel type, technology, and the environmental impacts of the facility.

19 Renewable energy facilities shall not result in undue adverse air, water, or land use
20 impacts, including impacts associated with the gathering of generation feedstocks.

386.834. 1. Net energy metering shall be accomplished using a single meter, capable
2 of registering the flow of electricity in two directions. An additional meter or meters to
3 monitor the flow of electricity in each direction may be installed with the consent of the
4 customer-generator, provided that such meter is not installed at the expense of the
5 customer-generator. If an additional meter or meters are installed, the net energy metering
6 calculation shall yield the same results as when a single meter is used.

7 2. The department shall, in consultation with the commission, develop a simple and
8 standard contract providing for net energy metering and make it available to eligible
9 customer-generators on a first-come, first-serve basis by providers of electrical energy until
10 the total rate generating capacity owned and operated by eligible customer-generators in
11 this state equals the lesser of one hundred thousand kilowatts or one percent of the actual
12 peak electricity demand for calendar year 2001 for each supplier of electrical energy.
13 Generation installed after execution of a valid net metering contract shall be eligible for
14 net metering for the life of the installation under the net metering terms in effect on the
15 date of installation.

16 3. Net energy metering shall be carried out as follows:

17 (1) Each net energy metering contract or tariff shall be identical with respect to
18 energy rates, rate structure, and monthly charges to the contract or tariff to which the
19 same customer would be assigned if such customer was not an eligible customer-generator;

20 (2) No new or additional demand, standby, customer, minimum monthly, or other
21 charges shall be assessed that would serve to increase a customer-generator's minimum
22 monthly charge to an amount greater than that of other customers in the rate class to
23 which the eligible customer-generator would otherwise be assigned.

24 4. The period during which the net energy measurement is calculated shall be
25 annualized. The following provisions shall apply to the annualized net energy
26 measurement:

27 (1) The net energy produced or consumed on a monthly basis shall be measured in
28 accordance with normal metering practices;

29 (2) If the electricity supplied to the customer by the electric distribution system
30 exceeds the electricity generated by the customer-generator during the month, the
31 customer-generator shall be billed for the net energy supplied in accordance with
32 subsection 3 of this section;

33 (3) If the electricity generated by the customer-generator exceeds the electricity
34 supplied by the electric distribution system, the customer-generator shall be credited for

35 the excess kilowatt hours generated in accordance with subsection 3 of this section. The
36 kilowatt hour credit shall appear on the customer-generator's next monthly bill; and

37 (4) At the end of the annual period, any remaining unused credit for the excess
38 kilowatt hours generated by the customer-generator during the prior year shall be
39 purchased by the supplier of electrical energy as its avoided cost.

40 5. Renewable electric energy systems used by customer-generators shall meet
41 safety, power quality, and interconnection codes and standards adopted by rule of the
42 commission.

43 6. The commission shall adopt procedures for the resolution of disputes related to
44 net metering and may adopt by rule standardized control and testing requirements for
45 customer-generators that the commission determines are necessary to protect public safety
46 and system reliability.

47 7. No supplier of electrical energy shall require a customer-generator whose
48 renewable energy electric system or systems meet the standards of subsections 5 and 6 of
49 this section to install additional controls, perform or pay for additional tests, or purchase
50 additional liability insurance.

51 8. Applications by a customer-generator for interconnection to the distribution
52 system shall be reviewed and responded to by the supplier of electrical energy within thirty
53 days. The requirements of the supplier of electrical energy for interconnection shall not
54 exceed the technical standards adopted by the Underwriters Laboratory and the Institute
55 of Electrical and Electronics Engineers related to grid interconnection unless a different
56 standard has been adopted by rule of the commission. If the application for
57 interconnection is approved by the supplier of electrical energy, the supplier of electrical
58 energy shall complete the interconnection within fifteen days unless a later date is mutually
59 agreeable to both the customer-generator and the supplier of electrical energy. Each
60 supplier of electrical energy shall identify to the department and the commission a single
61 point of contact for customers with net metering contracts and customers interested in
62 entering into a net metering contract.